

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION  
FINANCIAL STATEMENTS  
JUNE 30, 2010**

Under provisions of state law, this report is a public document. *A copy of the report has been submitted to the entity and other appropriate public officials.* The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/11

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6
OTHER INDEPENDENT ACCOUNTANTS' REPORT	
Independent Accountants' Report on Applying Agreed-Upon Procedures for Compliance with Laws and Regulations	9
LOUISIANA ATTESTATION QUESTIONNAIRE	13



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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
Algiers Economic Development Foundation  
New Orleans, Louisiana

We have reviewed the accompanying statement of financial position of Algiers Economic Development Foundation (a nonprofit organization) as of June 30, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Algiers Economic Development Foundation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Silva Gurtner & Abney, LLC*

December 3, 2010

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**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2010**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 113,103
Accounts receivable	132,063
Prepaid expenses	<u>7,784</u>
Total current assets	252,950
Fixed assets	
Computer equipment	3,269
Office furniture	<u>2,649</u>
Total fixed assets	5,918
Accumulated depreciation	<u>(2,147)</u>
Net fixed assets	3,771
Other assets	<u>1,013</u>
Total assets	<u><u>\$ 257,734</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable and accrued liabilities	\$ 17,009
Deferred revenue	<u>11,135</u>
Total liabilities	28,144
Net assets	
Unrestricted	<u>229,590</u>
Total net assets	<u>229,590</u>
Total liabilities and net assets	<u><u>\$ 257,734</u></u>

See independent accountants' report.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

Revenue and other support	
Annual luncheon sponsors	\$ 29,000
Algiers business directory	18,975
Contributions	22,000
Grants	318,955
Interest income	303
Luncheon ticket sales	18,055
Membership dues	8,002
Miscellaneous income	4,365
Special events income	<u>52,051</u>
Total revenues and other support	471,706
Expenses	
Program services	
Economic growth encouragement	203,419
Supporting services	
Management and general	<u>121,488</u>
Total expenses	<u>324,907</u>
Changes in net assets	146,799
Net assets at beginning of year	<u>82,791</u>
Net assets at end of year	<u><u>\$ 229,590</u></u>

The accompanying notes are an integral part of this financial statement.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Program Services</b>	<b>Supporting Services</b>	
	<b>Economic Growth Encouragement</b>	<b>Management and General</b>	<b>Total</b>
Expenses			
Advertising	\$ 3,868	\$ -	\$ 3,868
Annual luncheon	10,515	-	10,515
Depreciation	-	5,000	5,000
Insurance	-	5,023	5,023
Meeting expenses	5,428	-	5,428
Membership expenses	947	-	947
Miscellaneous	-	6,892	6,892
Mixer expenses	7,388	-	7,388
Monthly luncheon expenses	12,268	-	12,268
Office expenses	-	40,458	40,458
Personnel expenses	81,921	54,024	135,945
Professional fees	-	10,091	10,091
Program expenses	81,084	-	81,084
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 203,419</u>	<u>\$ 121,488</u>	<u>\$ 324,907</u>

The accompanying notes are an integral part of this financial statement.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Cash flows from operating activities	
Changes in net assets	\$ 146,799
Adjustments to reconcile changes in net assets to	
Net cash provided in operating activities:	
Depreciation	5,000
Increase in operating assets:	
Accounts receivable	(132,063)
Prepaid expenses	(3,852)
Increase in operating liabilities:	
Accounts payable and accrued liabilities	2,268
Deferred revenue	11,135
	<hr/>
Net cash provided by operating activities	29,287
	<hr/>
Net increase in cash	29,287
Cash at beginning of year	83,816
	<hr/>
Cash at end of year	<u><u>\$ 113,103</u></u>

The accompanying notes are an integral part of this financial statement.

**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

The Algiers Economic Development Foundation (AEDF) was organized to foster economic growth to the Algiers Community. Through leadership, innovation and collaboration, the AEDF engages the Algiers business community, civic and community partners, elected officials, and regional partners in proactive business initiatives that foster Algiers' growing business environment and establish a sustainable community to create opportunities for Algiers residents and neighborhoods to thrive and grow.

Basis of Accounting

AEDF prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

Net assets of AEDF and changes therein are classified and reported as follows:

- a) Unrestricted net assets are not subject to donor-imposed stipulations.
- b) Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of AEDF and/or the passage of time. There are no temporarily restricted net assets as of June 30, 2010.
- c) Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by AEDF. There are no permanently restricted net assets as of June 30, 2010.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates

The preparation of the AEDF's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and disclosure of contingent assets and liabilities. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with purchased maturities of three months or less.



**ALGIERS ECONOMIC DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Accounts Receivable

AEDF signed a cooperative endeavor agreement with the City of New Orleans to reimburse AEDF for expenses related to events held to promote economic growth in the Algiers community. Accounts receivable as of June 30, 2010 consisted of \$123,955 due from the City of New Orleans for this cooperative endeavor agreement, \$6,721 due from the State of Louisiana for appropriations and \$1,387 of other receivables.

Other Assets

Other assets consist of the rent damage deposit for the AEDF office space.

Deferred Revenue

Deferred revenue consists of sponsorships and other monies received in advance for use in future periods. Sponsorships and ticket sales for fundraising events are recognized as revenue when the event is held.

Income Tax Status

Under the provisions of the Internal Revenue Code, Section 501(c)(4), and the applicable income tax regulations of Louisiana, AEDF is exempt from taxes on income other than unrelated business income. For the year ended June 30, 2010, AEDF had no unrelated business income. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements.

Revenue and Other Support

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**NOTE B – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 3, 2010, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## OTHER INDEPENDENT ACCOUNTANTS' REPORT



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Craig A. Silva, CPA\*  
Thomas A. Gurtner, CPA\*  
Kenneth J. Abney, CPA, MS Tax\*

\*Limited Liability Companies

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES FOR COMPLIANCE  
WITH LAWS AND REGULATIONS**

To the Board of Directors  
Algiers Economic Development Foundation  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Algiers Economic Development Foundation (a nonprofit organization), the Legislative Auditor, State of Louisiana, and applicable grantor agency solely to assist the users in evaluating management's assertions about the Organization's compliance with certain laws and regulations during the year ended June 30, 2010, included in the accompanying Louisiana Attestation Questionnaire. Management of the Organization is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Federal, State, and Local Awards**

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The Organization's state award expenditures for all state programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
<u>State of Louisiana, Department of Treasury</u>	2009-2010	N/A	195,000
<u>State of Louisiana, Department of Treasury, passed through the City of New Orleans</u>	2009-2010	N/A	123,955
Total Expenditures			318,955

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2. For each federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the 12 disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the 12 selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the 12 disbursements were properly coded to the correct fund and general ledger account.

We determined that the 12 disbursements selected were properly coded to the correct general ledger account.

5. For the items selected in procedure 2, we determined whether the 12 disbursements received approval from proper authorities.

Inspection of documentation supporting each of the 12 selected disbursements indicated proper approval.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

*Activities allowed or unallowed*

We reviewed the previously listed disbursements for types of services allowed or not allowed and noted all disbursements were applicable to grant agreements.

*Eligibility*

We reviewed the previously listed disbursements for eligibility requirements. This attribute was determined to not be applicable due to all disbursement not have eligibility requirements as deemed in grant agreements.

*Reporting*

We reviewed the previously listed disbursements for reporting requirements. The State of LA grants is based on reimbursements. We reviewed reports sent to State and verified that all reporting requirements were properly adhered to as indicated in grant documentation. The City of New Orleans CEA was an advance payment. We reviewed the cost report sent to the City of New Orleans and verified that all reporting requirements were properly adhered to as indicated in grant documentation.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

Not Applicable.

#### **Open Meetings**

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

We examined agendas and board meeting minutes. However, Algiers Economic Development Foundation does not post board meeting notices for public attendance and does not interpret the law as being applicable to the Foundation.

#### **Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The Organization provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

#### **Prior Year Comments and Recommendations**

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year comments or recommendations.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Algiers Economic Development Foundation and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Silva Gurtner & Abney, LLC*

December 3, 2010

LOUISIANA ATTESTATION QUESTIONNAIRE

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

November 16, 2010 (Date Transmitted)

Silvery Gurtney & Abney, CPAs

4565 Lasalle St., Suite 300

Mandeville, La. 70471

(Auditors)

In connection with your review of our financial statements as of June 30, 2010 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

AEDF not required to have public meetings.

Yes ☐ No ☒

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

11/16/10 Carol Osborne

Secretary: Carol Osborne

Date

Stuart Gay 11/16/10

Treasurer: Stuart Gay

Date

Christopher Kane 11/16/10

President: Christopher Kane